

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 2662 – HB 3318**

January 25, 2012

**SUMMARY OF BILL:** Declares that the purposes for hotel occupancy tax, authorized either by municipal ordinance or private act, be limited to purposes which directly increase tourism within the jurisdiction from which they are collected.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – There will be a decrease in local government revenue that can be utilized for purposes currently specified in ordinances or private acts, offset by an equal increase in local government revenue that can be utilized for increasing tourism. There may also be some shifts of hotel occupancy tax revenue from one or more local jurisdictions to one or more other local jurisdictions. Total hotel occupancy tax revenue for local governments may increase dependent upon the extent to which local governments are successful at increasing tourism. Such impacts cannot be quantified due to multiple unknown factors.**

Assumption:

- The fiscal impact of this bill is dependent on multiple unknown factors such as the amounts of hotel occupancy tax revenue currently utilized for increasing tourism in local government jurisdictions, the amounts of hotel occupancy tax revenue currently utilized for other purposes of local governments, the allocations of hotel occupancy tax revenue received by the multiple local government jurisdictions, the timing of amendments to local government ordinances or private acts, and the extent to which local governments will be successful at increasing tourism in the future as a result of this bill. Due to multiple unknown factors, the fiscal impact of this bill cannot be quantified with reasonable certainty.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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/rnc